

Decision \_\_\_\_\_

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Advantage  
Telecommunications Corp. (U-6148-C)  
d/b/a ADV Telecom. for Authority to  
Transfer Control via a Stock Purchase.

Application 06-03-024  
(Filed March 21, 2006)

**DECISION GRANTING APPLICATION****Summary**

In this decision we grant the application of Advantage Telecommunications Corp. (ATC or Applicant) to transfer control to Robert Sorrentino (Sorrentino).

**Background**

Applicant is a Delaware corporation headquartered in Winter Park, FL. It is authorized to provide interstate and international long distance service in all 50 states. We issued a certificate of public convenience and necessity (CPCN) to ATC to operate as a provider of resold long distance services on April 19, 1999. Sorrentino is an individual resident of the State of New Jersey. All of the issued and outstanding shares of ATC are held by Sonya Bly (Bly) an individual resident of the State of Florida. Pursuant to a stock purchase agreement between Bly and Sorrentino dated as of November 1, 2005, Bly has agreed to sell Sorrentino her entire interest in ATC.

Bly is also the President of ATC. Upon his purchase of her stock, Sorrentino will succeed Bly as President and operate ATC in the same manner as

before the transaction. The rates, terms and conditions of service currently available to ATC's customers will not change as a result of this transaction.

Applicant has supplied financial information that demonstrates the proposed transaction will not adversely affect the financial viability of ATC.

### **Discussion**

Pub. Util. Code § 854 requires Commission authorization before a company may "merge, acquire, or control . . . any public utility organized and doing business in this state. . . ." The purpose of this section is to enable the Commission, before any transfer of public utility property is consummated, to review the situation and to take such action, as a condition of the transfer, as the public interest may require. *San Jose Water Co.* (1916) 10 CRC 56.

In a situation where a company or individual that does not possess a CPCN desires to acquire control of a company that does possess a CPCN, we will apply the same requirements as in the case of an applicant seeking a CPCN to exercise the type of authority held by the company being acquired. Since ATC possesses a CPCN to operate as a provider of resold long distance services within California, we will apply the requirements for such authority to Sorrentino.

The Commission has established two major criteria for determining whether a CPCN should be granted. An applicant who desires to operate as a reseller of telecommunication services must demonstrate that it has a minimum of \$25,000 in cash or cash equivalents, reasonably liquid and readily available. In addition, the applicant is required to make a reasonable showing of technical expertise in telecommunications or a related business.

Sorrentino provided financial statements that demonstrate that he has sufficient resources to meet our financial requirements. He has also provided biographical information that establishes his knowledge and experience in the

competitive telephone service marketplace that satisfied our requirement for technical expertise.

Sorrentino previously owned Nationwide Telecom, Inc., a telecommunications carrier that went bankrupt. He represents that the bankruptcy was the result of a contract dispute rather than mismanagement. He further represents that he has not been sanctioned by the FCC or any state commission for failure to comply with any regulatory statute, rule or order.

Sorrentino having satisfied our financial and experience requirements, and no change in services or terms and conditions of operation being contemplated, we conclude that the proposed transaction is not adverse to the public interest. Therefore, we will grant the application.

The application is granted, subject to the terms and conditions set forth below.

### **Categorization and Need for Hearings**

In Resolution ALJ 176-3170, dated April 13, 2006 the Commission preliminarily categorized this proceeding as ratesetting and preliminarily determined that hearings were not necessary. Based on the record, we conclude that it is not necessary to alter the preliminary determinations in Resolution ALJ 176-3170.

### **Request to File Under Seal**

Applicant requests that certain financial information filed with the application be kept under seal. The financial information consists of the unredacted purchase and sale agreement that reveals the purchase price and other terms of sale. Applicant represents that the information is proprietary and sensitive. The information, if revealed, would place Applicant at an unfair business disadvantage. We have granted similar requests in the past and will do

so here. Applicant's information will be kept confidential for a period of two years from the effective date of this decision or longer upon a showing of a need for further protection.

**Comments on Draft Decision**

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

**Assignment of Proceeding**

Rachelle B. Chong is the Assigned Commissioner and Karl J. Bemederfer is the assigned Administrative Law Judge in this proceeding.

**Findings of Fact**

1. Notice of this application appeared in the Commission's Daily Calendar of March 29, 2006.
2. Applicant seeks approval pursuant to Pub. Util. Code § 854 of a stock sale that will result in a change of control of ATC.
3. ATC (U-6148-C) is a certificated reseller of long distance services subject to the jurisdiction of this Commission.
4. As a result of the transaction, Sorrentino will own 100% of the stock of ATC.
5. There will be no change in the name or management of ATC as a result of the transaction.
6. Customers will continue to receive service under the same rates, terms, and conditions after the transaction.
7. Sorrentino has sufficient financial resources to meet the Commission's requirements to provide resold long distance services.

8. Sorrentino possesses the necessary technical expertise required by the Commission.

**Conclusions of Law**

1. The proposed change of ownership is not adverse to the public interest.
2. This proceeding is designated a ratesetting proceeding; no protests having been received, no hearing is necessary.
3. The application should be approved.

**O R D E R**

**IT IS ORDERED** that:

1. Advantage Telecommunications Corp. (Applicant) is authorized pursuant to Section 854 of the Public Utilities Code to enter into a transaction whereby all of its outstanding shares of stock will be sold to Robert Sorrentino.
2. The authority granted herein shall expire if not exercised within one year of the date of this order.
3. Applicant's request to have the financial information filed with the application kept under seal is granted for two years from the effective date of this order. During that period the information shall not be made accessible to or disclosed to anyone other than the Commission staff except on the further order or ruling of the Commission, the Assigned Commissioner, the assigned Administrative Law Judge (ALJ), or the ALJ then designated as Law and Motion Judge.
4. If Applicant believes that further protection of the information kept under seal is needed, it may file a motion stating the justification for further withholding of the information from public inspection, or for such other relief as

the Commission's rules may then provide. This motion shall be filed no later than one month before the expiration date.

5. Application 06-03-024 is closed.

This order is effective today.

Dated \_\_\_\_\_ at San Francisco, California.